



(Applications accepted beginning 3/16/09)

NEIGHBORHOOD STABILIZATION FIRST-TIME HOMEBUYER PROGRAM *HOMEBUYER FACTS*

WHAT IS THE NS FTHP?

On January 13, 2009 the City of Chula Vista was approved to receive \$2.8M in funds from the U.S. Department of Housing & Development (HUD) through a new Neighborhood Stabilization Program to assist areas most severely affected by foreclosures. A large portion of these funds have been identified to assist first-time low- and moderate-income homebuyers with up to \$70,000 in gap financing to purchase foreclosed upon properties, under the Neighborhood Stabilization First-Time Homebuyer (NS FTHB) Program. The City is contracted with Community HousingWorks (CHW) to administer the NS FTHB Program.

DOES MY HOUSEHOLD QUALIFY?

Households seeking assistance must meet all of the following criteria to be eligible:

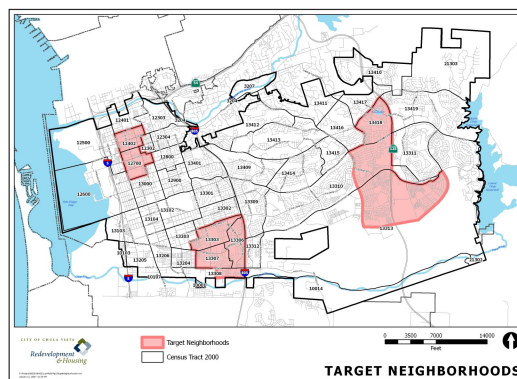
1. All household members are first-time homebuyers (have not held an ownership interest in residential property within the past three years).
2. Total household annual income may not exceed the following limits, *as of February 13, 2008*:

	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
120% AMI (up to \$40,000)	\$60,550	\$69,200	\$77,850	\$86,500	\$93,450	\$100,350	\$107,300	\$114,200
80% AMI (for up to \$70,000)	\$44,250	\$50,550	\$56,900	\$63,200	\$68,250	\$73,300	\$78,350	\$83,400

3. Upon close of escrow, you must occupy the home as your Principal Residence.
4. You must be a U.S. citizen or eligible immigrant. Legal resident aliens are eligible to apply but must show proof of status.
5. Your households shall have sufficient income and credit-worthiness to qualify for primary financing from a participating lender.
6. You must contribution a minimum of 3% of the total purchase price of the property.
7. Maximum liquid assets after down payment and closing cost contribution may not exceed \$25,000 (not including retirement accounts, i.e. IRA's, 401(k), etc).

WHAT PROPERTIES ARE ELIGIBLE UNDER THE PROGRAM?

1. Properties must be located within specified NSP Target Neighborhoods, in the City of Chula Vista.
2. Properties must be foreclosed upon single-family homes. Manufactured/mobile homes, duplexes, triplexes or fourplexes do not qualify as eligible properties.
3. Preference is given to properties that are less than 50 years old and may not need health & safety repairs that exceed \$24,999.
4. The maximum purchase price cannot exceed \$559,550 (effective 3/08).
5. The property owner must agree to sell the property at a discount of at least 15% below appraised property value.

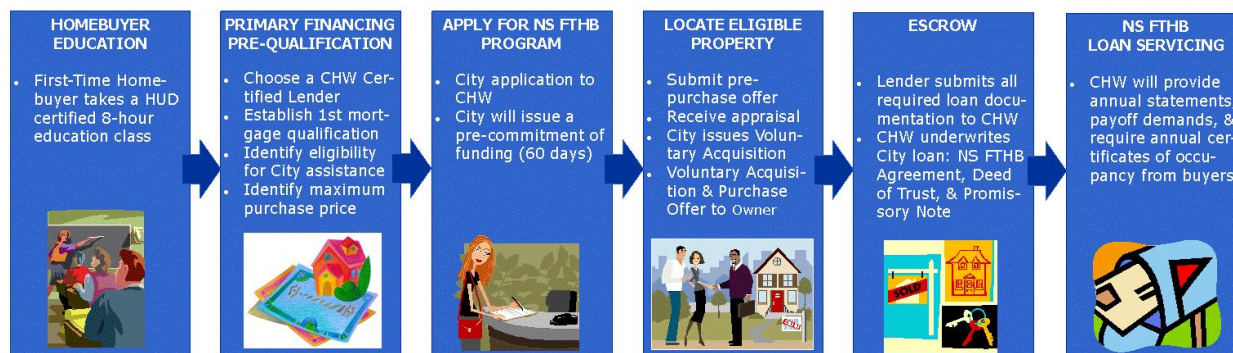




LOAN TERMS

1. The City's homebuyer assistance is recorded as a second trust deed and can provide qualifying low-income (80% Area Median Income) families with up to \$70,000 and moderate-income (120% Area Median Income) families with up to \$40,000.
2. Long-term residency is encouraged through a declining City interest in any accrued property equity for the first 15 years.
3. No interest is charged on the loan (except in the case of default) and after 15 full years of owner occupancy, only the principal remains due and payable.

WHAT IS THE PROCESS?



1. Attend an 8 hour HUD certified homebuyer education class.
2. Submit a loan application to a CHW certified lender to pre-qualify for primary financing. They will determine the following:
 - a. Pre-qualify you for a first mortgage amount;
 - b. Calculate income to determine eligibility for a NS FTHB loan ("gap financing"); and
 - c. Estimate your maximum purchase price.
3. Complete the City NS FTHB application and submit it to Community HousingWorks.
 - a. If deemed eligible, the City will issue a 60 day pre-commitment of funds letter.
4. Work with a CHW certified realtor to find an eligible property.
 - a. Submit an initial offer to the seller estimating 15% below market value.
 - b. Receive a certified appraisal.
 - c. City will issue a "Voluntary Acquisition" form to be submitted with your purchase offer.
5. Work with your lender and CHW to move through the escrow process, including:
 - a. Inspect the property, if the property requires rehabilitation:
 - i. Submit an NS FTHB Rehabilitation application.
 - b. CHW will require execution and recordation of documentation to fund the City loan, including a NS FTHB Agreement, Deed of Trust, and Promissory Note.

In addition to underwriting your City loan, CHW will be servicing your loan, including:

1. Issuing annual statements on your account;
2. Sending you annual monitoring letters to confirm occupancy of the unit; and
3. Providing payoff demands, should you desire to sell or transfer the property.

For additional program information, to sign up for a homebuyer education class, and/or to receive a list of certified lenders and realtors, please contact Community HousingWorks at www.chworks.org or call (619) 282-6647.

CITY OF CHULA VISTA



For an application and a sample of the documents you will sign visit the City of Chula Vista's Redevelopment & Housing Division web page at: www.chulavistaca.gov/cvrh.